COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIFTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE 5-33 Refer to Exh. BSG/JES-1, Workpaper JES-6, at 23. Please provide the source documents for the "Miscellaneous Service Revenue" values found on ln. 1. In addition, provide the source document for the "EP&S Income Statement" referenced on this page.

Response: The Miscellaneous Service Revenues are generated via the Company's Customer Information Service (CIS) system that bills the customers. See Table DTE-5-33 below for a break out of the revenues by category.

Attachment DTE-5-33 is a copy of the pertinent page of the Company's year ending income statement showing EP&S test year bad debt expense accounts 904-01 Bad Debt Exp.-Customer Service ($86,737.27) and 904-02 Bad Debt Exp.- Rental ($326,029.46.)

Table DTE-5-33

Acct. No.	Description	2002	2003	2004
		$	$	$
Guardian Care Revenue				
882-17	Gas Line Protection	54,493	83,041	106,773
882-18	Com Plans	8,844	11,082	11,743
882-19	Late Payment Charge	57,330	64,382	69,083
882-23	Basic – HH	513,057	423,001	354,511
882. -24	Basic - WH/HH	467,119	376,081	303,361
882-25	Plus HH	1,442,217	1,819,416	2,132,241
882-26	Plus WH/HH	1,680,781	2,129,347	2,468,772
882-27	Open Plans	123,284	143,144	167,351
Total Guardian Care Revenue		4,347,124	5,049,493	5,613,834
Water Heater Revenue				
488-01	Rental Revenue – WH	4,804,304	4,859,903	4,859,235
488-03	Rental Revenue – HH	2,075,287	1,964,846	1,725,262
488-05	Rental Revenue - Late Payment CH-CB & Other	265,967	263,068	239,957
488-09	Liquefaction Service	(135)	0	0
Total Water Heater Revenue		7,145,423	7,087,817	6,824,455

Acct. No.	Description	2002	2003	2004
		$	$	$
Customer Service Revenue				
882-01	Labor	95,217	57,618	60,456
882-02	Parts Tx	20,367	25,495	42,971
882-03	Parts NT	(8,035)	(5,100)	(15,003)
882-29	Annual Inspections	674,977	395,000	694,666
882-30	A/C Annual Inspections – Labor	98,138	77,520	147,547
882-31	Water Heater Labor	134,691	78,106	75,437
882-32	Dry Labor	315	190	285
882-33	HH Labor	1,360,798	890,884	738,796
882-34	Other Labor	42,936	32,393	27,431
882-39	Inspection Parts	21,121	5,007	16,191
882-40	A/C Inspection Parts	1,467	878	4,963
882-41	WH Part Tx	25,121	14,914	13,821
882-42	Dry Part Tx	75	0	230
882-43	HH Part Tx	479,520	346,403	275,245
882-44	Other Part Tx	18,906	19,829	11,133
882-51	WH Part NT	(2,430)	(2,161)	(559)
882-53	HH Part NT	(30,290)	(33,349)	(16,777)
882-54	Other Part NT	1,179	(2,152)	269
Total Customer Service Revenue		2,934,072	1,901,474	2,077,102
Total Miscellaneous Service Revenue		14,426,620	14,038,784	14,515,392

Attachment DTE-5-33

ACCT NO.	DESCRIPTION	CURRENT YEAR 12/31/04	PRIOR YEAR DECEMBER	DECREASE INCREASE
690297	METER WORK-NON-PROD	9,452.27	27,785.25	(18,332.98)
	METER READING EXPENSES (4)	695,742.56	792,319.56	(96,577.00)
690300	CUST.R+C-OPER ACCTG EXPENSE	1,022,370.45	800,089.09	222,281.36
690302	CUST.R&C-MICROFILM EXPENSE	4,070.39	4,347.42	(277.03)
690306	CUST.R&C-POSTAGE	1,248,305.56	1,336,732.73	(88,427.17)
690310	CUST.R&C-BANKRUPTCIES	1,864.20	4,327.53	(2,463.33)
690312	CUST.R+C.-CASH PROCEDURES EXP	241,238.32	233,213.09	8,025.23
690315	CUST R&C-THEFT OF GAS EXP	700.00	917.99	(217.99)
690320	CUST.R&C-SWITCHBOARD EXP		7,110.19	(7,110.19)
690321	CUST.R&C-SERVICE CALLS ACCEPT	1,025,620.46	802,962.83	222,657.63
690323	CUST.R&C-METER INV RECORDS UPD	2,081.19	8,181.84	(6,100.65)
690324	CUST.R&C-BILLING ADJUSTMENTS	86,502.49	80,571.22	5,931.27
690327	CUST.R&C-PAYMENTS PROCESSED	79,709.56	72,876.83	6,832.73
690328	CUST.R&C-INCOMING CREDIT CALLS	484,682.43	454,053.36	30,629.07
690329	CUST.R&C-CUST RECORDS UPDATED	71,694.17	70,058.14	1,636.03
690330	CUST.R&C-METER RECORDS UPDATE	40,217.20	40,139.01	78.19
690331	CUST.R&C-REVENUE ACCOUNTING	120,795.89	111,983.02	8,812.87
690351	CUST R&C - SERVICE CALLS ACCPT	38,379.23	35,165.38	3,213.85
690352	CUST R&C-BILL ADJUSTMENTS	24,424.74	23,592.35	832.39
690353	CUST R&C-BILL INQUIRIES	636,966.32	652,574.94	(15,608.62)
690354	CUST R&C-MET INV-BILL	78,769.96	76,075.83	2,694.13
690355	CUST R&C-RENT TR-BILL	1,367.91	1,283.61	84.30
690359	CUST R&C-SERVICE CALLS-METER D	57,568.86	52,748.35	4,820.51
690360	CUST R&C- C/S TURN ON/OFF'S	204,952.80	188,905.99	16,046.81
690361	CUST R&C- C/S READ IN/OUT'S	57,839.72	36,956.19	20,883.53
690362	CUST.R&C-INCOMING CREDIT CALLS	430,880.62	386,473.30	44,407.32
690363	CUST.R&C-OUTGOING CREDIT CALLS	39,299.80	35,955.12	3,344.68
690364	CUST.R&C-FIELD COLLECT ACTIV	439,056.48	559,554.60	(120,498.12)
690365	CUST.R&C- BANKRUPTCIES	79,238.13	70,383.29	8,854.84
690370	CUST.R&C.-OPER.ACCTG.EXP	640,944.06	588,837.30	52,106.76
690371	CUST.R&C-SUPERV REV RECOVERY	213,788.38	238,140.26	(24,351.88)
690380	CUST R&C-TURN ON/OFF-W.O.M.S.	6,249.14	4,335.01	1,914.13
690395	CUST.R&C.EXP-FLEET EXP.	49,618.95	48,115.96	1,502.99
690396	CUST.R&C-STOREROOM EXP.	3,787.16	1,674.92	2,112.24
	CUST. RECORDS+COLLECT.EXP. (5)	7,432,984.57	7,028,336.69	404,647.88
690400	BAD DEBT ACCRUAL	8,244,659.58	8,141,551.82	103,107.76
690401	BAD DEBT EXP-CUST SERVICE	86,737.27	892,487.39	(805,750.12)
690402	BAD DEBT EXP-RENTAL	326,029.46	1,306,043.89	(980,014.43)
690403	BAD DEBT ACCRUAL-SPECIAL	245,169.13	706,375.35	(461,206.22)
	UNCOLLECTIBLE ACCOUNTS (6)	8,902,595.44	11,046,458.45	(2,143,863.01)
	TOTAL CUSTOMER ACCT. EXP. (8)	17,251,656.88	19,099,523.68	(1,847,866.80)
	SALES EXPENSES			

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

SUPPLEMENTAL RESPONSE

DTE-6-1 Please provide electronic files in Microsoft Excel format, with all formulas and links contained in the cells, of the following:
Exh. BSG/JES-1, Schedules JES-1 through JES-17 and corresponding workpapers; Exh. BSG/JES-3, Schedules WC-1 through 15 and corresponding workpapers;
Exh. BSG/JES-3 and corresponding workpapers;
Exh. BSG/JES-4 and corresponding workpapers;
Exh. BSG/JES-5, p. 1;
Exh. BSG/JES-6 and corresponding workpapers; and
Exh. BSG/PRM-2, Schedules 1 through 12, making sure to include source and/or reference information.

Supplemental Response:

Please see the attached CD, which contains the requested electronic files associated with Mr. Skirtich's testimony.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-7 Please describe with supporting documentation the $5,400,587 adjustment for leased assets that had been erroneously retired as shown on page 34, line 5 in the Company's 2003 Annual Return to the Department. Describe in detail the leased assets, the date when they were erroneously retired, and all the subsequent actions taken by the Company to rectify the error.

Response: Please refer to Attachment DTE-16-7 for an explanation of $5,772,095 of this adjustment.

The difference of $371,508 offsets this amount due to a retirement of water heaters made erroneously to a different Nisource subsidiary, Northern Utilities – New Hampshire, in 2002. The correction was made in May 2003.

Attachment DTE-16-7

NiSource

NiSource Business Services Group

Intercompany Communication

Date: June 27, 2005

From: K.T. Sollie

Subject: Bay State Gas Water Heaters and Conversion Burners

Dept.: Finance / Plant Accounting

To: R.G. Kriner
L.R. Patton

History

In 1995, Bay State Gas (BSG) sold $20 million in water heaters and conversion burners and leased them back from the bank. A leasing agreement was established to provide water heaters for customers. BSG would provide the leased units, maintain them at the customer locations, and would collect monthly rental fees.

In 1999, Bay State Gas began capitalizing water heaters in Plant Account 386 when they decided to purchase $2 million in water heaters from Energy USA. The Energy USA assets covered a period of 1996 to the date of purchase, but BSG accounted for the heaters as if they were new at the 1999 purchase date recorded at their net book value.

Since 1999, water heaters and conversion burners have been purchased by BSG every year through 2002. In 2003, BSG bought out the remaining water heaters and conversion burners left on the original 1995 lease agreement for $3.2 million.

After communicating with various personnel in charge of the water heater and conversion burner programs, we are now aware that the retirement notices being sent to the Plant Accounting Department did not distinguish between what the company owned outright and those that were under the lease agreement established in 1995.

Analysis

After further investigation of our records, we cannot determine whether these abandonment slips pertained to leased or owned property. Currently, our plant and reserve balances for these accounts are well understated because assets have been artificially retired. Due to the lower plant balances, depreciation expense has been understated as well in the past four years.

Recommendation

The historical tracking of additions and retirements within an asset group is the basis needed for proper depreciation of a group of assets. Since the retirements can no longer be historically tracked, we are recommending that an accounting change is made to this asset group. The General Plant amortization method is practiced when it is inappropriate (or physically impossible) to tag or itemize each specific asset for disposal.

A retroactive recalculation of plant and reserve balances in Account 386 as of December 31, 2002 has been compiled using the General Plant amortization method (Please see Attachment A). This method has been utilized on each layer of plant balances capitalized since 1999 for water heaters and since 1996 for conversion burners. Also, the full-year convention depreciation method utilized by BSG in 1997 through 2001 and the current depreciation rates for water heaters (7.06%) and conversion burners (4.16%) are implemented in this analysis. As shown in the attached, we are recommending a journal entry for each asset type that will result in a retroactive reduction to depreciation expense for approximately $460,000. This, however, will be offset by an estimated annual increase in depreciation expense of $392,000 due to the re-layering of capital to plant.

Accounting entries to be made in October 2003 are as follows:

Water Heaters:

Retroactive Adjustment as of December 2002 =

DR 101	4,900,713	
CR 108		4,784,135
CR 403		116,578

2003 Expense Catch-up Adjustment (projected as of Sept 2003 for $560,090 less actual for $311,577)=

DR 403	248,513	
CR 108		248,513

Conversion Burners:

Retroactive Adjustment as of December 2002=

DR 101	871,382	
CR 108		528,209
CR 403		343,173

2003 Expense Catch-up Adjustment (projected as of Sept 2003 for $226,981 less actual for $212,908)=

DR 403	14,073	
CR 108		14,073

Summarized Entry:		
DR 101	5,772,095	
CR 108		5,574,929
CR 403		197,166

Approximately, an additional $89,000 will be recorded as normal depreciation expense in the months of October through December 2003. Coupled with the reduction to expense above for $197,000, the estimated annual reduction to depreciation expense is approximately $108,000 (Please see Attachment B).

For Financial Planning purposes, it is estimated that the annual increase to depreciation expense in 2004 and 2005 would be approximately $352,000 (Attachment B).

Conclusion

Due to the inaccuracies of retirement records between leased and owned assets over the previous few years combined with the purchase of water heaters from Energy USA in 1999 at unknown asset vintages, we have determined that the accounting records for Account 386 need to be adjusted. This will necessitate a change in the accounting treatment currently in effect to a General Plant amortization method and retroactively adjust the accounting records for 2003.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-8 Refer to the Company's 2004 Annual Return to the Department at 34. Please describe with supporting schedules how the Company determined the average depreciation rates for production, distribution, and general plant.

Response: The average rate was calculated by dividing the annual depreciation expense by the plant-in-service balance as of January 1, 2004 for each functional plant category. Table DTE-16-8 below reconciles the plant balances shown in the Annual Report to depreciable plant used in the development of the composite rates. Attachment DTE-16-8 shows the annual depreciation expense for the year that was used in the calculation.

TABLE DTE-16-8

	PP&E 2004 Annual Report to D. T. E.	Average Rate	Depreciation	Att. DTE-16-8A
	$		$	
Total Production Plant - p 17, col. b, ln. 21	24,275,702			
Less Acct. 304 Land & Land Rights - p 17, col. b, ln 7	412,592			
Production Plant Balance 1/1/04	23,863,110	0.0462	1,102,619	Col.b, ln. 9
Total Distribution Plant - p 18, col b, ln. 14	629,368,638			
Less Acct. 379 Other Equipment - p 18, col. b,	510,252			
Less Acct. 365.1 Land & Land Rights p 18, col b, ln 2	219,041			
Distribution Plant Balance 1/1/04	628,639,345	0.0303	19,059,795	Col.b, ln. 27
Total General Plant - p 18, col. b, line 27	45,356,669			
Less Acct. 389 Land & Land Rights - p 18, col b, ln.16	172,321			
Plus Acct. 379 Other Equipment - p 18, col. b,	510,252			
General Plant Balance 1/1/04	45,694,600	0.0868	3,964,293	Col.b, Lns. 32, 35, 43
Total	698,197,055	0.0346	24,126,707	

Bay State Gas Company
Reserve for Utility Plant
Depreciation/Amortization
01/01/2004 -12/31/2004

Line No.	GPA		Beginning Year Balance	Subledger Additions to Depr. Expense	Additions to Amor. Expense	Retirements	Cost of Removals	Salvage	Other Charges	Period End Balance
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		INTANGIBLE PLANT								
1	301	Organization	3,350,491.81	0.00	112,507.92	0.00	0.00	0.00	0.00	3,462,999.73
2	303	Misc. Intangible Plant	71,921,999.93	0.00	14,846,890.80	422,055.32	0.00	0.00	(67,629,507.12)	18,717,328.29
3		Total Intangible Plant	75,272,491.74	0.00	14,959,398.72	422,055.32	0.00	0.00	(67,629,507.12)	22,180,328.02
		PRODUCTION PLANT								
4	304	Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	305	Structures & Improvements	1,463,911.82	86,079.65	0.00	0.00	0.00	0.00	0.00	1,549,991.47
6	311	L.P. Gas Equipment	3,153,263.56	166,352.77	0.00	0.00	0.00	0.00	0.00	3,319,616.33
7	320	Other Equipment	280,691.71	40,366.82	0.00	30,732.85	0.00	0.00	0.00	290,325.68
8	321	L.N.G. Equipment	4,483,146.57	809,820.19	20,399.21	1,494,143.49	0.00	0.00	(10,296.42)	3,808,926.06
9		Total Production Plant	9,381,013.66	**1,102,619.43**	20,399.21	1,524,876.34	0.00	0.00	(10,296.42)	8,968,859.54
		STORAGE PLANT								
10	360	Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	361	Structures & Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	362	Gas Holders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	363	Other Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14		Total Storage Plant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		DISTRIBUTION PLANT								
15	364	Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	365	Right of Way	0.00	1,573.15	0.00	0.00	0.00	0.00	0.00	1,573.15
17	366	Structures & Improvements	1,461,441.60	63,680.11	0.00	0.00	0.00	0.00	0.00	1,525,121.71
18	367	Gas Mains	75,587,802.69	5,445,410.27	0.00	1,457,654.71	143,963.30	0.00	0.00	79,431,594.95
19	368	Compressor Station Equipment	238,059.12	12,076.08	0.00	0.00	0.00	0.00	0.00	250,135.20
20	369	Meas. & Reg. Station Equipment	3,330,869.17	305,336.21	0.00	0.00	0.00	0.00	0.00	3,636,205.38
21	380	Gas Services	116,087,787.27	9,582,946.19	0.00	661,117.63	850,768.58	0.00	0.00	124,158,847.25
22	381	Gas Meters	9,486,755.98	867,958.64	0.00	277,354.19	0.00	14,742.00	0.00	10,092,102.43
23	382	Meter Installations	9,736,768.97	873,473.01	0.00	63,944.55	34,591.42	0.00	0.00	10,511,706.01
24	383	Gas Regulators	4,955,322.40	448,704.17	0.00	6,868.56	11,403.64	0.00	0.00	5,385,754.37
25	386	Other Equipment on Cust. Property	3,457,802.06	1,307,652.49	0.00	0.00	0.00	85,660.46	0.00	4,851,115.01
26	387	Other Equipment	515,594.73	150,984.79	0.00	295,197.31	0.00	0.00	0.00	371,382.21
27		Total Distribution Plant	224,858,203.99	**19,059,795.11**	0.00	2,762,136.95	1,040,726.94	100,402.46	0.00	240,215,537.67
		TRANSMISSION PLANT								
28	374	Rights of Way	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	376	Mains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	378	Regulator Station	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	379	Other Equipment	209,902.34	13,725.77	0.00	0.00	0.00	0.00	0.00	223,628.11
32		Total Transmission Plant	209,902.34	**13,725.77**	0.00	0.00	0.00	0.00	0.00	223,628.11
		GENERAL PLANT								
33	389	Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
34	390	Structures & Improvements	1,941,038.72	247,617.27	0.00	0.00	0.00	0.00	0.00	2,188,655.99
35		Total General Plant	1,941,038.72	**247,617.27**	0.00	0.00	0.00	0.00	0.00	2,188,655.99
		GENERAL PLANT (Equipment)								
36	391	Office Equipment	6,312,722.13	1,563,962.50	0.00	224,556.54	0.00	0.00	0.00	7,652,128.09
37	392	Transportation Equipment	1,329,581.50	(70,588.09)	0.00	280,302.72	0.00	1,500.00	304,659.96	1,284,850.65
38	393	Stores Equipment	(5,950.26)	3,982.29	0.00	0.00	0.00	0.00	0.00	(1,967.97)
39	394	Tools, Shop & Garage Equipment	743,755.51	70,940.06	0.00	0.00	0.00	0.00	0.00	814,695.57
40	396	Power Operated Equipment	222,782.71	14,453.67	0.00	84,518.14	0.00	0.00	0.00	174,702.08
41	397	Communications Equipment	11,735,168.45	2,118,610.57	0.00	11,509,020.12	100,342.97	2,536,278.25	0.00	4,780,694.18
42	398	Miscellaneous Equipment	12,366.29	1,588.88	0.00	0.00	0.00	0.00	0.00	13,955.17
43		Total General Plant (Equipment)	20,350,426.33	**3,702,949.88**	0.00	12,098,397.52	100,342.97	2,537,778.25	304,659.96	14,719,057.77
44		**Utility Plant Reserve-Subledger**	**332,013,076.78**	**24,126,707.46**	**14,979,797.93**	**16,807,466.13**	**1,141,069.91**	**2,638,180.71**	**(67,335,143.58)**	**288,474,232.40**
45		**Utility Plant Reserve-G/L**	**332,013,076.78**	**24,126,707.46**	**14,979,803.27**	**16,807,466.13**	**1,141,069.91**	**2,638,180.71**	**(67,335,143.58)**	**288,474,231.89**
		Variance	**0.00**	**0.00**	**(5.34)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.51**

Other Charges:

46	301	Reclass Asset #11412 - BSG Org.	0.00
47	303	Reclass Asset #11412 - BSG Org.	(67,629,507.12)
48	392	Vehicle Clearing	0.00
49	396	Vehicle Clearing	
50		**Total**	**(67,629,507.12)**

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: Danny G. Cote

DTE-16-9 Refer to Exh. BSG/DGC-1, at 34. Please provide a copy of the Company's Capital Authorization Handbook that was issued in 2005. Indicate the date when the Company started to use such a handbook.

Response: The Company began using this handbook April 1, 2005. See attached Capital Authorization Handbook.

[Bulk Attachment]

Bay State Gas
A NiSource Company

Northern Utilities
Natural Gas
A NiSource Company

Capital Authorization Handbook

Revised: April 7, 2005

Bay State Gas
A NiSource Company

Northern Utilities
Natural Gas
A NiSource Company

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Revised: April 7, 2005

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-14 Refer to Exh. BSG/DGC-8, at 2. Please provide all documentation relating to capital expenditure List No. 11. The documentation should include:

(1) the process of identifying the project, including Bay State's engineering estimates and distribution planning for the project;
(2) all notices from the town of Taunton to the Company regarding the town's planned municipal street opening, including any subsequent modifications to the town's plan;
(3) any cost-benefit analyses performed consistent with requirements listed in Exh. BSG/DGC-1, at 33-34;
(4) copy of the duly signed and approved project capital authorization;
(5) reports on trench excavation and any leaks encountered, including documents relating to efforts and additional costs to control the leaks;
(6) analysis of and justifications for variations of actual costs from cost estimates;
(7) copy of duly signed and approved variance authorization; and
(8) copy of any Work Order Management System ("WOMS") report, closing report and reports on any post-project evaluations.

Response: (1) According to 220 CMR 113, a regulation governing the operation of cast iron gas mains, Bay State Gas Company is forced to replace cast iron main whenever it is exposed and undermined or when it is in soil made unstable by nearby excavation. The Company has no discretion in the matter. When informed by a city or town that excavation is planned for a sewer or water project, Company engineers review maps of gas line to determine, among other things, whether or not cast iron main will be affected. If so, the Company begins plans to replace and abandon its cast iron pipe. Computer simulations of the distribution system are conducted to determine the effects of removing the cast iron main from the distribution network and identify the best size and routing for replacement pipe.

Costs are estimated as part of preparing a project authorization, but the project can not be postponed or rejected on the basis of cost; the state

regulation must be followed. In addition, the Company does not generally have the ability to break the project into smaller segments. The project must move ahead of the municipal excavation. Should the town's work extend further for any reason, the Company will have to extend its replacement project as well. The Company's replacement project may be extended even further if excavation reveals adjoining main in poor condition.

(2) Bay State Gas Company received verbal notice of the City's plans and Company representatives attended preconstruction meetings called by the City detailing their plans. Periodic meetings were held during construction to keep all parties appraised of progress, delays and changes in scope.

(3). Cast iron main in Somerset Avenue and surrounding streets was replaced as required to comply with an existing Massachusetts regulation (220 CMR 113). The Company did not have the right to choose not to do this project. As such, only a cost estimate was developed as a Benefit / Cost benefit analysis was not appropriate. See attachment DTE-16-14 (A)

(4) See attachment DTE-16-14 (A)

(5) As part of compliance with 220 CMR 113, cast iron main potentially affected by adjacent excavation must be monitored daily. During construction no leaks were encountered.

(6) Additional costs not part of the original cost estimates were incurred as the City project expanded.

(a) Work in Orchard and Charles Streets added 703 more feet of 4 inch main. A supplemental authorization for $22,402 in direct costs was prepared to cover this increase in footage.

(b) Work in side streets increased the number of main tie ins by $17,415. The added length of main meant more connections.

(c) Monitoring active cast iron main in the vicinity of water main excavation added $20,899. The leak survey was required to comply with Massachusetts regulations covering operation of cast iron mains. While the Company planned to replace its main in advance of the City's excavation, coordination occasionally was difficult.

(d) Police details, estimated at $24,320, actually cost $11,076 more. Installing a greater amount of pipe increased the duration of the project. At times two detail officers were assigned by the City to assure adequate traffic control. Police details were assigned by the City and the Company had no control over the number of officers assigned to the project.

(e) Taunton specified that the final pavement layer had to be infrared sealed due to the high traffic volume along the route, an unbudgeted cost of $19,947. Had the City's water main

project moved along in coordination with the gas main replacement, this cost would have been significantly reduced.

(f) The remainder of the cost overrun, $148,846, was paid to the Company's contractor in extra charges. Extras were incurred for delay time waiting for the City's contractor to clear a work location, for mobilization and demobilization as the Company's contractor moved between locations to minimize interference with the City's contractor, and for street opening costs. Eight inches of concrete were present along the entire route of the project instead of the standard asphalt over a gravel base. Below the concrete, old trolley tracks and ties were uncovered. These obstructions had to be pulled up, cut and hauled for disposal.

(7) See Attachment DTE-16-14 (A)

(8) See Attachment DTE-16-14 (B) & (C)
DTE-16-14 (B) is a revised version of DTE-16-14 (C). The revision was due to change in overhead dollars reported and "late charges"/ additional charges being posted since the original filing. Due to a computer programming error, the overhead column did not include all appropriate overhead charges.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-19-3 Refer to Company's response to DTE 6-17 and Exh. BSG/JES-1, at 19-20.

(A) The Company's response to DTE 6-17 states "The Company does not anticipate any known, significant or measurable changes for 2005 as regards Property and Casualty Insurance as such might relate to pricing, terms or conditions."

(B) On page 19 of Exh. BSG/JES-1, Mr. Skirtich states: "An adjustment to test year property and liability insurance expense levels is necessary to reflect known and measurable changes to be experienced in 2005." Mr. Skirtich continues, on pages 19 and 20, to state: "The adjustment reflects an increase of $94,997.... Annual premiums will be received and paid in June 2005 for the fiscal year July 2005 through July 2006."

Please reconcile these assertions.

Response: The Company does not anticipate any significant changes as regards Property and Casualty Insurance. However, these premiums for the period 2005 through 2006 will become known and measurable in July of 2005. If any changes occur, the Company's rate case filing can be adjusted through the update process.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: Paul Moul, Consultant (ROE)

DTE-19-7 Refer to Company's response to DTE 13-12. Please provide attachment DTE 13-12 and associated workpapers in Microsoft Excel format, with formulas and links in cells.

Response: The requested workbook in Microsoft Excel format is provided on the attached CD as Attachment DTE-19-7.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 27, 2005

Responsible: Paul Moul, Consultant (ROE)

DTE-19-8 Refer to Company's response to DTE 13-21. Please explain any shortcomings of using the geometric mean in the manner discussed. Explain how one uses the geometric mean when negative data are present.

Response: The primary shortcoming to the use of the geometric mean is that it represents the return from two data points. It merely provides the growth from an initial value to a terminal value. Geometric means can provide a misleading indication in the presence of negative values. Unlike the arithmetic mean, the geometric mean has no variance. That is to say, the arithmetic mean provides an unbiased estimate and provides the correct representation of all probable outcomes. The arithmetic mean has a measurable variance. As stated by Ibbotson:

> Arithmetic Versus Geometric Differences
> For use as the expected equity risk premium in the CAPM, the arithmetic or simple difference of the arithmetic means of stock market returns and riskless rates is the relevant number. This is because the CAPM is an additive model where the cost of capital is the sum of its parts. Therefore, the CAPM expected equity risk premium must be derived by arithmetic, not geometric, subtraction.
>
> Arithmetic Versus Geometric Means
> The expected equity risk premium should always be calculated using the arithmetic mean. The arithmetic mean is the rate of return which, when compounded over multiple periods, gives the mean of the probability distribution of ending wealth values.…This makes the arithmetic mean return appropriate for computing the cost of capital. The discount rate that equates expected (mean) future values with the present value of an investment is that investment's cost of capital. The logic of using the discount rate as the cost of capital is reinforced by noting that investors will discount their (mean) ending wealth values from an investment back to the present using the arithmetic mean, for the reason given above. They will therefore require such an expected (mean) return prospectively (that is, in the present looking toward the future) in order to commit their capital to the investment. (Stocks, Bonds, Bills and Inflation-1996 Yearbook, pages 153-154)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 27, 2005

Responsible: Stephen H. Bryant, President

USWA-2-4: To the extent not already provided in your response to USWA 1-9, for November 1999 to date, state the total number of customer service complaints—*i.e*., CIF forms—per year. Provide copies of each CIF complaint and any call logs.

Response: Customer Information Forms ("CIF's") are filled out by Customer Service representatives and forwarded to Senior CSR's to see if they can be resolved at the Company's Springfield Contact Center. Many are sent to the local area Service Supervisors for research and resolution. The Company does not log or track these forms.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 27, 2005

Responsible: Stephen H. Bryant, President

USWA-2-16: (a) For 1999 to date, provide all Call Center shift schedules, and all schedules provided for customers regarding the Call Center's hours of operation. Additionally, describe where customer service calls were and are directed when the Call Center (was) is closed and what, if any, limitations there are on the type of calls that may be addressed when the call center is closed or not open to the public.

(b) For 1999 to date, provide the total number of new residential, commercial, and industrial customers, respectively. Provide annual totals for each category of new customer.

Response: (a) The current "hours of operation" schedule in the Contact Center has been in existence since 2001. The present and prior schedule is listed below:

Current Hours of Operation:

Service: Monday-Friday	6AM to 10PM, Saturday 7AM to 7PM
Billing: Monday-Friday	8AM to 5PM
Credit: Monday-Friday	7AM to 5:30 PM, Saturday 9AM to 2PM

Schedule prior to 2001

Service: Monday-Friday	6AM to 12AM, Sat & Sun 7AM to 11PM
Billing: Monday-Friday	8AM to 5PM
Credit: Monday-Friday	7AM to 5:30PM

In mid August 2004, the Contact Center began handling Gas Leak Emergency Calls during the hours the center is handling service calls. (See above schedule) When the Contact Center is not open, Emergency Gas Leak calls and Service calls are handled by the Brockton Logistics Center. Customers are able to complete certain transactions and obtain account information using the IVR system, which is available 24 hours a day, 365 days a year. Please refer to the Company's response to AG 18-10 for a description of IVR options.

(b) The annual total of new residential, commercial and industrial customers for 1999 to date is as follows:

	Residential	Commercial	Industrial
1999	4018	541	29
2000	4043	679	28
2001	2757	616	23
2002	2115	468	9
2003	2014	423	1
2004	2860	452	5
2005 ytd May	803	189	2

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-17 Regarding Mr. Bryant's discussion of the efforts the company makes to educates its customers, who is in charge of determining which information appears on the company's web pages? Were those pages redesigned during 2005? Who was in charge, and from whom did that person solicit input or suggestions? Was there a period of time in May or June 2005 when there was no information on the web page regarding the low-income discount rate?

Response: A multidisciplinary team that includes representation from Communications, Regulatory Compliance, Customer Contact Center, and IT business units shares responsibility for content and design of the Bay State Gas Web site. During May 2005, the first phase of a new Web-based customer self-service application was introduced on the Bay State Gas site, as well as at other NiSource-affiliated distribution companies. The application organizes existing content and links for residential customers into a common, user-friendly template that supports state-specific information, and enables customers to view personal account information by registering as a user of the secure area of the site. During the time the new application was being developed, tested, and implemented, the project team sought input and feedback from both internal and external stakeholders to ensure the site's functionality and usability. Some content was briefly taken off the site during this process as the team identified enhancements and conducted the iterative steps of testing business and technical functions before re-posting.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: Stephan H. Bryant, President

UWUA-3-13 (Skiritch, p. 21) Does the company contemplate any further sales of utility property for the years 2005 through 2010, inclusive? If yes, please list the amount of each such potential sale and a description of the property that may be sold.

Response: No sales of utility property for the years 2005 through 2010 are being contemplated at this time.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

UWUA-3-14 (Skirtich, p. 25) Please provide a table listing that referenced rate cases from 1983, 1989 and 1992, including the docket number and the amount of the rate case expense.

Response: Please see the Table below.

TABLE UWUA-3-14

Year	Docket Number	Rate Case Expense $	
2005	DTE-05-27	1,658,500	As Filed
1992	DPU – 92-111	751,585	
1989	DPU – 89-81	Note 1	
1983	DPU 1122 (1982)	Note 2	

Notes:

1/ The 1989 rate case expense is not readily available. Also, the case was settled, and rate case levels under a settled case may be significantly different then a fully litigated case.

2/ The rate case amounts are not readily available for the 1983 case. Furthermore, considering both the time lag and evolution of the Department's standards since these two cases, the amounts of rate case expense in 1983 would not be comparable.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

UWUA-3-16 (Skirtich/, pp. 29-30) Please (i) provide a list of the allocation factors or percentages used to allocate NCSC costs to Bay State when those services are not specifically requested solely by Bay State, or unquestionably assignable solely to Bay State, as well as the basis (and related workpapers) for such allocations or percentages or (ii) if there is no set or list of allocation percentages that are used, please explain how the "basis for allocating charges" (Skiritich, p. 29, l. 3) is determined.

Response: Please refer to Attachment UWUA-3-16 (A) for an explanation of the bases used for allocation. Please refer to Attachment UWUA-3-16 (B) for the allocation percentages.

BASES OF ALLOCATION

The SEC approved Bases of Allocation shown below will be used by the Corporate Services Accounting Department for apportioning Job Order charges to affiliates.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates.

BASIS 2

GROSS FIXED ASSETS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Job order charges will be allocated to each benefited affiliate on the basis of the relationship of its total depreciable property to the sum of the total depreciable property of all benefited affiliates.

BASIS 9

AUTOMOBILE UNITS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates.

BASIS 10

NUMBER OF RETAIL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of retail customers to the total number of all retail customers of the benefited affiliates.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates.

BASIS 13

FIXED ALLOCATION

- Job order charges will be allocated to each benefitted affiliate on the basis of fixed percentages on an individual project basis.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefited affiliates.

BASIS 20

DIRECT COSTS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its direct costs billed by Service Corporation to the total of all direct costs billed by Service Corporation.

NISOURCE CORPORATE SERVICES
COMMENCING MARCH 2005 BILLING
ALLOCATION PERCENTAGES
BASIS 1
GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

CO #	NEW SYM	AR	AB	AS	AF	AG	AH	AI	AJ	AT	AK	AL	AM	AN	AO	AD	AP	AU	AV	AW	AY	AC	AA	AX	AE	AQ	AZ	ZA	ZB	ZC	ZD	#	NEW SYM
11	CG					0.10																				0.13						11	CG
12	CS				10.67									12.23												16.62						12	CS
14	CGT	8.13	6.67		5.95	6.41	6.55	6.69	6.67	23.10	6.67		6.45	6.68											23.10	11.18					12.70	14	CGT
15	CES	0.01		0.17	0.01	0.01	0.01						0.01	0.01												0.01						15	CES
24	TPC	0.34		5.93	0.21	0.27							0.27	0.25			0.78										0.59			0.66		24	TPC
20	CNS	0.03		0.48	0.02	0.02							0.02	0.02												0.03						20	CNS
22	CIC	0.71		12.37	0.45	0.57							0.57	0.52												0.70						22	CIC
32	CKY	2.14	1.77		1.50	1.69	1.74	1.77	1.77		1.77	3.05	1.70	1.69	1.90	5.40			2.49	7.79		7.04	5.40			2.67		9.54			3.29	32	CKY
34	COH	16.47	13.66		11.41	13.04	13.42	13.68	13.66		13.65		13.12		14.59	40.73			19.16	58.66		53.10	40.73			20.03		72.16			25.25	34	COH
35	CMD	0.69	0.57		0.49	0.54	0.56	0.57	0.57		0.57	0.98	0.55	0.55	0.61	1.78		5.78	0.80			2.32	1.78			0.88			8.93		1.06	35	CMD
37	CPA	7.51	6.23		5.18	5.94	6.13	6.24	6.23		6.23	10.76	5.98	5.86	6.65	18.40		60.47	8.73			24.00	18.40			9.03			91.07		11.49	37	CPA
38	CGV	4.00	3.30		2.84	3.16	3.24	3.30	3.30		3.30	5.67	3.18	3.20	3.54	10.40		33.75	4.66			13.54	10.40			5.17		18.30			6.18	38	CGV
44	NCP	0.22	0.18		0.16	0.17	0.18		0.18	0.62	0.18		0.17	0.18											0.62		0.35				44	NCP
45	CDW	0.02	0.01		0.01	0.01	0.01		0.01	0.04	0.01		0.01	0.01											0.04	0.03						45	CDW
51	TCO		21.33		18.43	20.45	20.96	21.37	21.33	75.49	21.33		20.55	20.76	22.92										75.50	33.52					40.03	51	TCO
52	CAT	0.00		0.05	0.00	0.00							0.00	0.00												0.00						52	CAT
54	REM																															54	REM
58	NSI					0.15																					0.33					58	NSI
59	NIP	45.54	37.48		32.81	35.97	36.83	37.56	37.48		37.48	64.35	36.16	36.90	40.38		92.32		53.23		97.26						74.57			81.95		59	NIP
60	NDC	1.36		28.96	0.93	1.07							1.08	1.05													2.29					60	NDC
62	NCM	0.01		0.25	0.01	0.01							0.01	0.01													0.03					62	NCM
63	NES	0.01		0.11	0.00	0.00					0.01		0.01	0.00													0.01					63	NES
64	KGF	0.53	0.44		0.37	0.42	0.43	0.44	0.44		0.44	0.76	0.42	0.42	0.47		1.12				1.18						0.89					64	KGF
65	NIF	0.70	0.58		0.49	0.55	0.57	0.58	0.58		0.58	1.00	0.56	0.55	0.62		1.48				1.56						1.17					65	NIF
80	BSM	7.84	6.50		5.42	6.21	6.38	6.51	6.50		6.50	11.22	6.24	6.13	6.94	19.33			9.11	27.83			19.33	82.96			13.16			14.54		80	BSM
68	EUS	0.00		0.08	0.00	0.00							0.00	0.00			0.01										0.01			0.01		68	EUS
69	PEI	2.12		51.28	1.53	1.68	1.70						1.68	1.72			4.29										3.46					69	PEI
71	NRS					0.04																										71	NRS
85	KTC																															85	KTC
73	GSG					0.19				0.75															0.74		0.41					73	GSG
75	NFC	0.02		0.32	0.01	0.01							0.01	0.01													0.03					75	NFC
78	NET	0.07				0.07																					0.12					**78**	NET
76	NUM	0.74	0.62		0.54	0.61	0.64	0.62	0.62		0.62	1.07	0.60	0.60	0.67	1.92			0.88	2.77			1.92	8.24			1.25			1.38		**76**	NUM
84	COR																															**84**	COR
77	NUN	0.79	0.66		0.56	0.64	0.65	0.67	0.66		0.66	1.14	0.65	0.65	0.71	2.04			0.94	2.95			2.04	8.80			1.33			1.46		**77**	NUN
TOTAL		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00		TOTAL

NISOURCE CORPORATE SERVICES
ALLOCATION PERCENTAGES
COMMENCING MARCH 2005 BILLING

		BASIS 2 Gross Fixed Assets						BASIS 7 Gross Depreciable Property and Total Operating Expenses				BASIS 8 Gross Depreciable Property	BASIS 9 Automobile Units	BASIS 20 Direct Cost
CO	NEW	BI	BD	BA	BB	BC	BG	GG	GH	GT	GD	HD	IG	TA
#														
11	CG	.....	.....				0.00	0.10	.....	.....	.....	.....	.....	2.03
12	CS	.....	.....			0.51	0.49	.....	.....	.....	.....	.....	.....	.....
14	CGT	8.60	.....			8.60	8.28	6.38	6.51	23.23	.....	.....	1.93	3.68
15	CES	.....	.....				0.00	0.01	0.01	.....	.....	.....	0.00	0.15
24	TPC	.....	.....					0.27		.....	.....	.....	0.02	0.50
20	CNS	.....	.....				0.01	0.02	.....	.....	.....	.....	0.00	0.03
22	CIC	.....	.....				0.00	0.57	.....	.....	.....	.....	0.00	0.02
32	CKY	1.52	5.79	5.79		1.52	1.46	1.70	1.75	.....	5.40	5.79	2.51	2.75
34	COH	10.36	39.45	39.45		10.36	9.98	13.09	13.48	.....	40.72	39.43	17.12	18.68
35	CMD	0.56	2.12	2.12	3.87	0.56	0.54	0.55	0.56	.....	1.77	2.11	0.73	0.94
37	CPA	4.46	17.00	17.00	31.04	4.46	4.30	5.97	6.15	.....	18.40	16.99	7.73	7.78
38	CGV	3.34	12.71	12.71	23.20	3.34	3.22	3.19	3.27	.....	10.43	12.78	4.80	4.44
44	NCP	.....	.....			0.23	0.22	0.17	0.17	0.62	.....	.....	0.00	0.13
45	CDW	.....	.....				0.02	0.01	0.01	0.04	.....	.....	0.00	0.01
51	TCO	21.84	.....			21.84	21.04	20.21	20.72	75.37	.....	.....	20.23	16.85
52	CAT	.....	.....				0.00	0.00	.....	.....	.....	.....	0.00	0.00
54	REM	.....	.....					.....	.....	.....	.....	.....	.....	.....
58	NSI	.....	.....				0.14	0.16	.....	.....	.....	.....	.....	6.38
59	NIP	42.46				42.47	40.92	36.11	36.95	.....			34.96	21.50
60	NDC	.....	.....				0.73	1.08	.....	.....	.....	.....	0.00	0.71
62	NCM	.....	.....				0.00	0.01	.....	.....	.....	.....	0.00	0.01
63	NES	.....	.....				0.00	0.00	.....	.....	.....	.....	0.00	0.22
64	KGF	0.36					0.35	0.42	0.44	.....			0.75	0.19
65	NIF	0.48					0.46	0.56	0.57	.....			0.80	0.21
80	BSM	4.85	18.49	18.49	33.76	4.85	4.68	6.22	6.41	.....	19.31	18.45	7.02	8.86
68	EUS	.....	.....				0.00	0.00	.....	.....	.....	.....	0.00	0.67
69	PEI	.....	.....				1.94	1.69	1.73	.....	.....	.....	0.00	0.73
71	NRS	.....	.....						.....	.....	.....	.....		0.40
85	KTC	.....	.....						.....	.....	.....	.....		0.00
73	GSG					0.10	0.09	0.19		0.74				0.15
75	NFC	.....	.....				0.00	0.01	.....	.....	.....	.....	0.00	0.07
78	NET						0.00	0.06						0.12
76	NUM	0.56	2.13	2.13	3.89	0.56	0.54	0.60	0.61		1.91	2.12	0.56	0.80
84	COR									.....				
77	NUN	0.61	2.31	2.31	4.24	0.60	0.59	0.65	0.66		2.06	2.33	0.84	0.99
TOTAL		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

NISOURCE CORPORATE SERVICES
ALLOCATION PERCENTAGES
COMMENCING MARCH 2005 BILLING

CO #	SYM	BASIS 10 # of Retail Customers JA	JD	JB	JE	JF	JG	JH	JI	JJ	JK	JL	JM	JN	BASIS 14 # of Transportatio Customers ND	BASIS 15 Total Employees, Customers OD	BASIS 16 Total Plant, State Employees, Customers PD	BASIS 17 Total Tariff & Transportatio QD
11	CG																	
12	CS																	
14	CGT																	
15	CES																	
24	TPC																	
20	CNS																	
22	CIC																	
32	CKY	7.14	6.43	3.90	3.82				5.59		7.53	8.02			1.38	6.42	7.27	6.95
34	COH	70.87	63.84	38.69	37.92				55.44		74.71	79.62	40.26		75.79	63.88	55.97	60.71
35	CMD	1.62	1.46	0.89	0.87			7.38	1.27	4.92			0.92		1.40	1.46	2.08	1.32
37	CPA	20.37	18.35	11.12	10.90			92.62	15.93	61.74			11.57		18.92	18.36	22.64	16.85
38	CGV		9.92	6.01	5.89				8.60	33.34		12.36	6.25		2.51	9.88	12.04	14.17
44	NCP																	
45	CDW																	
47	CAR																	
51	TCO																	
52	CAT																	
54	REM																	
58	NSI																	
59	NIP			30.21	29.60	76.68	93.65						31.43	76.68				
60	NDC																	
62	NCM																	
63	NES																	
64	KGF				0.94		2.98											
65	NIF				1.06		3.37											
80	BSM			7.78	7.62	19.74			11.14		15.02		8.09	19.74				
68	EUS													0.00				
69	PEI																	
71	NRS																	
85	KTC																	
73	GSG																	
75	NFC																	
78	NET																	
76	NUM			0.68	0.67	1.74			0.98		1.33		0.71	1.74				
84	COR																	
77	NUN			0.72	0.71	1.84			1.05		1.41		0.77	1.84				
TOTAL		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

NISOURCE CORPORATE SERVICES
ALLOCATION PERCENTAGES
COMMENCING MARCH 2005 BILLING

BASIS 11
Number of Regular Employees

CO #	NEW	KF	KG	KH	KM	KP	KQ	KR	KD	KS	KT	KA	KX	KW	KB	KC	KE
11	CG	.....	.....	.....	.....	.....	.....	.....	.....	0.00	.....	0.00	.....	.....			
12	CS	17.05	.....	.....	.....	17.14	.....	.....	.....	27.73	.....	0.00	.....	.....			27.74
14	CGT	3.08	3.71	3.72	3.71	3.09	16.11	98.85	.....	5.00	.....	6.92	.....	.....			5.00
15	CES	0.00	0.00	0.00	0.00	.....	0.00	0.00	.....	0.00	.....	0.00	.....	.....			
		0.00	0.00	.....	0.00	0.00	0.00	0.00		0.00	.....	0.00	.....	.....			
24	TPC	0.33	0.40	0.40	0.40	.....			.....		0.87		90.32	.....	0.90		
		0.00	0.00	0.00	.....	0.00	0.00	0.00	.....	0.00	.....	0.00	.....	.....			
20	CNS	0.02	0.03	.....	0.03	.....	0.12	.....	.....	0.04	.....	0.05	.....	.....			
22	CIC	0.00	0.00	.....	0.00	.....	0.00	.....	.....	0.00	.....	0.00	.....	.....			
		0.00	0.00	0.00	0.00	0.00	0.00	.....	.....	0.00	.....	0.00	.....	.....			
32	CKY	2.01	2.42	2.42	2.42	2.02	.....	.....	6.06	3.26	.....	4.52	.....	8.66		7.90	3.26
34	COH	13.41	16.17	16.20	16.19	13.48	.....	.....	40.45	21.80	.....	30.16	.....	57.87		52.80	21.81
35	CMD	0.51	0.62	0.62	0.62	0.51	.....	.....	1.54	0.83	.....	1.15	.....	.....		2.01	0.83
37	CPA	7.00	8.43	8.45	8.45	7.03	.....	.....	21.10	11.37	.....	15.74	.....	.....		27.55	11.38
38	CGV	2.47	2.98	2.98	2.98	2.48	.....	.....	7.45	4.02	.....	5.56	.....	.....		9.74	4.02
44	NCP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	.....	.....	0.00	.....	.....	.....			
45	CDW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	.....	0.00	.....	0.00	.....	.....			
47	CAR	0.00	0.00	.....	0.00	.....	.....	.....	.....	0.00	.....	0.00	.....	.....			
		0.00	0.00	.....	0.00	0.00	0.00	.....	.....	0.00	.....	0.00	.....	.....			
		0.00	0.00	.....	0.00	0.00	0.00	0.00	.....	0.00	.....	0.00	.....	.....			
51	TCO	15.96	19.24	19.28	19.27	16.05	83.58	.....	.....	25.95	.....	35.90	.....	.....			25.96
52	CAT	0.00	0.00	.....	0.00	0.00	0.00	.....	.....	0.00	.....	0.00	.....	.....			
		0.00	0.00	0.00	0.00	.....	0.00	.....	.....	0.00	.....	0.00	0.00				
54	REM	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....			
58	NSI	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.00	.....	.....	.....			
59	NIP	28.91	34.85	34.92	34.91	29.06	.....	.....		.....	75.36	.....	.....	.....	78.14		
60	NDC	0.00	0.00	0.00	0.00	.....	.....	.....	.....	.....	0.00	.....	.....	.....			
		0.00	0.00	.....	0.00	.....	0.00	.....	.....	.....	0.00	.....	.....	.....			
62	NCM	0.00	0.00	0.00	0.00	.....	.....	.....	.....	.....	0.00	.....	.....	.....			
63	NES	0.00	0.00	.....	0.00	0.00	0.00	0.00	.....	.....	0.00	.....	.....	.....			
64	KGF	0.68	0.82	0.82	0.82	0.68	.....	.....		.....	1.76	.....	.....	.....			
65	NIF	0.65	0.79	0.79	0.79	0.66	.....	.....		.....	1.70	.....	.....	.....			
80	BSM	6.81	8.20	8.22	8.22	6.84	.....	.....	20.53	.....	17.74	.....	.....	29.37	18.39		
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	.....	.....	0.00	.....	.....	.....			
68	EUS	0.00	0.00	0.00	0.00	.....	.....	.....	.....	.....	0.00	.....	0.00		0.00		
69	PEI	0.04	0.04	0.04	0.04	.....	0.19	1.15	.....	.....	0.09	.....	9.68				
71	NRS		0.00	.....		.....	.....	.....	.....	.....		.....	.....	.....			
85	KTC			.....		.....	.....	.....	.....	.....		.....	.....	.....			
73	GSG	0.06	0.07														
75	NFC	0.00	0.00	.....	0.00	.....	.....	.....	.....	.....	0.00	.....	.....	.....			
78	NET	0.07	0.09	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....			
76	NUM	0.37	0.44	0.44	0.44	0.37			1.11		0.96			1.59	1.00		
84	COR						.....	.....		.....		.....					
77	NUN	0.57	0.70	0.70	0.71	0.59			1.76		1.52			2.51	1.57		
TOTAL		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

NISOURCE CORPORATE SERVICES
ALLOCATION PERCENTAGES
COMMENCING MARCH 2005 BILLING

BASIS 13
Fixed Allocation Percentage

CO #	NEW OLD SYM	MA FXD 01	MB FXD 02	MC FXD 03	MD FXD 05	ME FXD 06	MF FXD 08	MG FXD 09	MH FXD 10	MJ FXD 70	MK	ML DIST 72	MM	MT TRAN 64	MN	MW	MZ	MO	MP	MQ	MI	MX rent	MY rent	MR	MS	MU
11	CG	25.00			3.85			24.00					0.02					LEGAL 50.00	LEGAL 46.10	LEGAL 25.00	LEGAL 33.33	0.66	0.66			50.00
12	CS		33.33		. . . .						27.12		20.86					.	7.70							
14	CGT		11.66		3.85		40.00	24.00			2.59		3.23	35.00	3.63				7.70	25.00		5.01	5.01	0.42	0.42	10.00
15	CES			18.75	3.85	32.00		14.00	5.00				0.03					25.00		25.00		0.12	0.12			
19	CPS																	.	.							
24	ETP				0						0.40		0.22					.	.			0.36	0.36			
18	CLG				0													.								
20	CNS																	.	.			0.12	0.12			
22	CIC				3.85													.	.			0.02	0.02			
29	CPL													0.00				.								
32	CKY				3.85					3.81	2.18	0.00	2.42		3.08		20.00		7.70		33.33	3.81	3.81	2.53	2.53	
34	COH		20.60	81.25	3.85					62.06	12.47	61.51	11.92		25.26		20.00		7.70			21.90	21.90	23.85	23.85	
35	CMD		0.51		3.85					2.92	0.42	2.07	0.49		1.13		20.00		7.70			1.31	1.31	0.63	0.63	
37	CPA		8.04		3.85	17.00			95.00	25.47	6.35	24.09	6.18		9.42		20.00		7.70			8.64	8.64	7.41	7.41	
38	CGV		4.19		3.85					5.74	2.71	12.33	3.78		5.27		20.00					6.19	6.19	3.84	3.84	
44	NPC				3.85								0.02	0.00				.				0.32	0.32			
45	CPL				3.85									0.00				.				0.03	0.03			
47	CFC																	.	.							
48	CCC																	.	.			0.00	0.00			
49	PET																	.	.							
51	TCO	50.00	21.67		3.85	51.00	60.00	14.00			17.22		24.98	65.00	12.18			25.00	7.70	25.00	33.34	16.82	16.82	12.11	12.11	40.00
52	CAT																	.	.							
53	CER																									
54	REM																	.	.			0.04	0.04			
58	NSI	25.00			3.85			24.00							6.01				.			3.85	3.85			
59	NIP				3.85					0.00	22.29	0.00	19.71		25.51				.			14.72	14.72	34.62	34.62	
60	NDC				3.85													.	.			0.44	0.44			
61	HHI																	.	.							
62	NCM				3.84													.	.			0.04	0.04			
63	NES				3.84													.	.			0.20	0.20			
64	KGF				3.84					0.00	0.12	0.00	0.07					.	.			0.15	0.15	1.06	1.06	
65	NIF				3.84					0.00	0.10	0.00	0.06					.	.			0.21	0.21	1.20	1.20	
80	BSM				3.84					0.00	5.14	0.00	5.00		8.51	15.10						10.66	10.66	10.43	10.43	
67	NPG													0.00			0.00	.								
68	EUS				3.84								0.02					.	.			0.61	0.61			
69	PEI				3.84						0.02		0.02					.	.			0.44	0.44			
71	NRS										0.00							.	.			0.37	0.37			
72	SMP																	.	.							
73	GSG				3.84											82.50						0.24	0.24			
75	NFC				3.84													.	.			0.09	0.09			
78	NET										0.18		0.10									0.12	0.12			
76	NUM				3.84						0.35		0.36			1.20						1.19	1.19	0.98	0.98	
87	ERT																					-	-			
77	NUN				3.84						0.34		0.51			1.20						1.28	1.28	0.92	0.92	
84	COR																					0.04	0.04			
TOTAL		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	######	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

NiSource Corporate Services - 1st Tier Billing Companies

Company Number	Company Name
11	Columbia Energy Group-Parent Company
12	NiSource Corporate Services
14	Columbia Gulf Transmission Company
15	Columbia Energy Services Corporation
20	Columbia Network Services Corporation
22	Columbia Insurance Company
24	TPC
32	Columbia Gas of Kentucky, Inc.
34	Columbia Gas of Ohio, Inc.
35	Columbia Gas of Maryland, Inc.
37	Columbia Gas of Pennsylvania, Inc.
38	Columbia Gas of Virginia, Inc.
44	NiSource Crossroads Pipeline Company
45	Columbia Deepwater
51	Columbia Gas Transmission Corporation
52	Columbia Atlantic Trading Corporation
54	Columbia Remainder Corporation
58	NiSource, Inc.
59	Northern Indiana Public Service Company
60	NiSource Development Company
62	NiSource Capital Markets
63	NiSource Energy Services
64	Kokomo Gas and Fuel Company
65	Northern Indiana Fuel and Light
68	Energy USA, Inc.
69	Primary Energy, Inc.
71	NiSource Retail Services
73	Granite State Gas
75	NiSource Finance Company
76	Northern Utility - Maine
77	Northern Utility - New Hampshire
78	NiSource Energy Technology
80	Bay State Gas
84	Columbia Gas of Ohio Receivables Corporation

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

UWUA-3-23 Please provide any documents in Mr. Skirtich's possession, other than Mr. Bryant's testimony and exhibits, that in any way relate to the questions of whether the Metscan meters were used and useful to Bay State customers; whether those devices performed as represented by the vendor/manufacturer; and the nature and scope of any problems with the meters, including battery life, accessing the data captured by the meters, or any other operational factors.

Response: Please see response to AG-3-32.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

UWUA-3-26 (Skirtich, p. 41) To the extent not provided in response to UWUA requests based on Mr. Bryant's testimony, please provide a copy of any all leases, accounting reports, or other documents reviewed by Mr. Skirtich in determining the amortization of the unrecovered Metscan expenses, as well as any related workpapers prepared by Mr. Skirtich.

Response: No other documents were reviewed. Recovery of the regulatory asset was based on the proposed 5 year PBR period.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 27, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

UWUA-3-28 (Sched. JES-1) Does Mr. Skirtich agree that it would be accurate to say that Bay State is seeking an increase of approximately 12% in its base rates, comparing the $22.2 million requested increase to the actual revenues that are at issue in this proceeding (total revenues, less the cost of gas)?

Response: No. I do not agree that the Company is seeking a 12% increase in base rates for the following reasons. First, the Company normally presents bill impacts on a burner-tip basis and does not isolate base rates from the cost of gas. Secondly, as shown in the testimony of Joseph A. Ferro, Exhibit BSG/JAF-2, the Company's proposed base rate increase is $17,508,855.